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Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 IO-14 ISO-00 COME-00 AGRE-00
AF-10 EA-12 NEA-10 STR-05 PA-02 PRS-01 NSC-05
SS-15 SP-02 CEA-01 /112 W
----------078429 230152Z /14
R 221210Z SEP 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 8549
USMISSION GENEVA
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

UNCLAS LONDON 15812

FOR: DEPT. - EB/TRP
GENEVA - ASSISTANT SECRETARY KATZ

E.O. 11652: N/A
TAGS: ETRD, ICO, EPAP
SUBJECT: COFFEE -- IBC PRESIDENT CALAZAN'S PRESS CONFER-
ENCE

1. FOLLOWING IS TEXT OF A LEARMOND ARTICLE CARRIED IN
REUTERS COFFEE REPORT OF SEPTEMBER 21, ON CALAZAN'S
MADRID PRESS CONFERENCE.

2. BEGIN TEXT:
"MADRID: BRAZIL WILL MAINTAIN ITS CURRENT COFFEE
SELLING POLICY AS STOCKS ARE VERY LOW AND NEED TO BE
REBUILT IN CASE THERE IS A FROST, BRAZILIAN COFFEE
INSTITUTE (IBC) CHAIRMAN CAMILLO CALAZANS TOLD REPORTERS.
EARLIER HE TOLD THE "COFFEE INTERNATIONAL" CONFERENCE
HERE THAT IBC STOCKS AT END AUGUST HAD FALLEN TO ONLY
1.2 MLN BAGS. AT END JUNE THESE STOCKS WERE 2.3 MLN
BAGS.
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ALONG WITH CARRY-OVER STOCKS OF 5.5 MLN BAGS HELD IN
PRIVATE HANDS AND A CROP THIS YEAR OF 15.5 MLN BAGS,
BRAZIL HAS AN AVAILABILITY OF COFFEE FOR 1977/78 OF
23.3 MLN BAGS, CALAZANS TOLD THE PRESS CONFERENCE.
THE IBC IS SEEKING 20,000 TONNES OR 345,000 BAGS OF
ROBUSTA COFFEE TO SUPPLY THE BRAZILIAN COFFEE INDUSTRY
FOR BLENDING AND FOR MAKING SOLUBLE COFFEE, CALAZANS

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TOLD REPORTERS.
HE SAID INTERBRAS, THE TRADING SUBSIDIARY OF PETROBRAS, IS SEEKING THIS COFFEE ON WORLD MARKETS.
IN ADDITION INTERBRAS TRADES IN PHYSICAL COFFEE AND IN FUTURES MARKETS ON ITS OWN ACCOUNT. IT BUYS FUTURES FOR THE IBC WHEN FORWARD PHYSICAL REQUIREMENTS CANNOT BE BOUGHT IN WORLD MARKETS, HE STATED.
BRAZIL HAS PLANTED ROBUSTA COFFEE TREES IN THE AMAZON REGION BUT UNTIL THESE START PRODUCING, COFFEE WILL BE BOUGHT ON WORLD MARKETS, HE STATED. PREVIOUSLY THE BRAZILIAN SOLUBLE INDUSTRY HAS BEEN SUPPLIED FROM LOW QUALITY STOCKS HELD BY THE IBC.
IF THE MEXICAN PROPOSAL FOR A STOCK OF COFFEE TO BE INTERNATIONALLY FINANCED AND CONTROLLED WAS AGREED UPON THE IBC WOULD NOT NEED TO KEEP RESERVE STOCKS. A WORKING GROUP ON THIS PROPOSAL IS LIKELY TO BE SET UP NEXT WEEK BY THE INTERNATIONAL COFFEE ORGANIZATION'S (ICO) COUNCIL SESSION IN LONDON NEXT WEEK.
SUCH AN INTERNATIONAL STOCK WOULD RISE TO AROUND 20 MLN BAGS WHICH WOULD BE ROTATED EVERY THREE YEARS, CALAZANS STATED. ITS GRADUAL BUILD-UP IS LIKELY TO START AROUND 1982, HE NOTED.
IN HIS SPEECH TO THE CONFERENCE CALAZANS SAID CYCLICAL FROSTS - DISTINCT FROM THE SEVERE FROST OF 1975 - OCCUR EVERY THREE YEARS ON AVERAGE. THESE FROSTS CAUSE LOSSES TO THE NEXT CROP BUT MAY HAVE AN INVIGORATING
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EFFECT IN PRODUCTION A YEAR LATER.
SHOULD THERE BE SUCH A FROST NOW, THE STRATEGIC STOCKS NEEDED TO ABSORB THE FALL IN PRODUCTION ARE NOT AVAILABLE, HOWEVER, AND CONSUMPTION WOULD HAVE TO FALL TO MEET THE LOWER AVAILABILITY, HE SAID.
CALAZANS TOLD THE CONFERENCE BRAZILIAN PRODUCTION NEXT YEAR SHOULD PROBABLY BE AROUND 20 MLN BAGS, RISING TO AROUND 26 MLN IN 1980 WHICH WOULD SATISFY INTERNAL NEEDS AND USUAL EXPORT VOLUMES.
IF FUTURE PRODUCTION IS TO BE MAINTAINED, AND FARMERS ENCOURAGED TO MAINTAIN COFFEE ACREAGE AND MAKE FRESH INVESTMENT, THEN IT IS VITAL THEY ARE APPROPRIATELY REWARDED, CALAZANS TOLD THE CONFERENCE."

BREWSTER

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, PRESIDENT, INTERNATIONAL ORGANIZATIONS, PRESS CONFERENCES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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From: LONDON
Handling Restrictions: n/a
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Office: ACTION EB
Original Classification: UNCLASSIFIED
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1174659
Secure: OPEN
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Subject: COFFEE -- IBC PRESIDENT CALAZAN\'S PRESS CONFER- ENCE
TAGS: ETRD, EPAP, UK, ICO
To: STATE GENEVA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/d013eb3f-c288-dd11-92da-001cc4696bcc
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